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U.S.-Korea FTA Business Coalition Welcomes Breakthrough on Full Reopening of Korea's Market to U.S. Beef

WASHINGTON, D.C.—The U.S.-Korea FTA Business Coalition praised today's announcement that the Korean government has agreed to fully reopen its market to U.S. beef exports, consistent with international standards. Korea's closed market to U.S. beef has been identified as the major impediment for the FTA being considered on Capitol Hill.

The FTA Coalition, led by representatives of the ACE Group of Insurers, Boeing Company, Chevron Corporation, Citi, and UPS, expects this announcement to give renewed momentum to the business community's efforts to work with Congress to secure congressional support for this commercially and strategically important agreement. As Matt Niemeyer, Senior Vice President for Federal and International Government Affairs of the ACE Group of Insurers and a corporate co-chair of the Coalition, said "This issue has been our biggest obstacle in having a meaningful dialogue on the benefits of this agreement. It's now time to work with Congress to find a way to move this important agreement this year."

The U.S.-Korea FTA, when implemented, will provide substantial benefits to all sectors of the U.S. economy. Under the agreement, almost 95 percent of all bilateral goods trade between the United States and Korea will become duty-free within three years, and virtually all remaining tariffs on goods will be eliminated in ten years. The U.S.-Korea FTA also eliminates significant non-tariff market access barriers in Korea to U.S. goods, services, and investment in all sectors. The investment chapter will be extremely important to safeguarding U.S. investments in this rapidly growing market. The U.S. International Trade Commission has estimated the reduction of tariff and tariff-rate quotas on U.S. goods through the agreement would increase U.S. GDP by \$10 billion to \$12 billion.

Korea was the United States' third-largest export market for beef prior to Korea's ban on U.S. beef, which was imposed in December 2003. In 2003, U.S. exports of beef totaled \$815 million. With the announced full reopening of the market, U.S. beef exporters expect to far exceed those numbers. The rest of the U.S. agricultural community will see significant gains in trade as well under the FTA.

The Coalition looks forward to working closely with the Administration and all members of Congress to ensure the successful approval and implementation of the agreement, which provides a historic opportunity to expand trade and investment with an important economic and strategic partner in Asia. The U.S.-Korea FTA Business Coalition is a broad-based organization of over 500 U.S. businesses and trade associations working to secure the approval by Congress of the U.S.-Korea FTA.